



Building a new web 3d world – lessons learned

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Market Size – US

\$1.6 Billion

Virtual Goods Revenue (2010)
50% on MMO, offsite, 3d worlds

Social Game Player Base
56 Million Americans

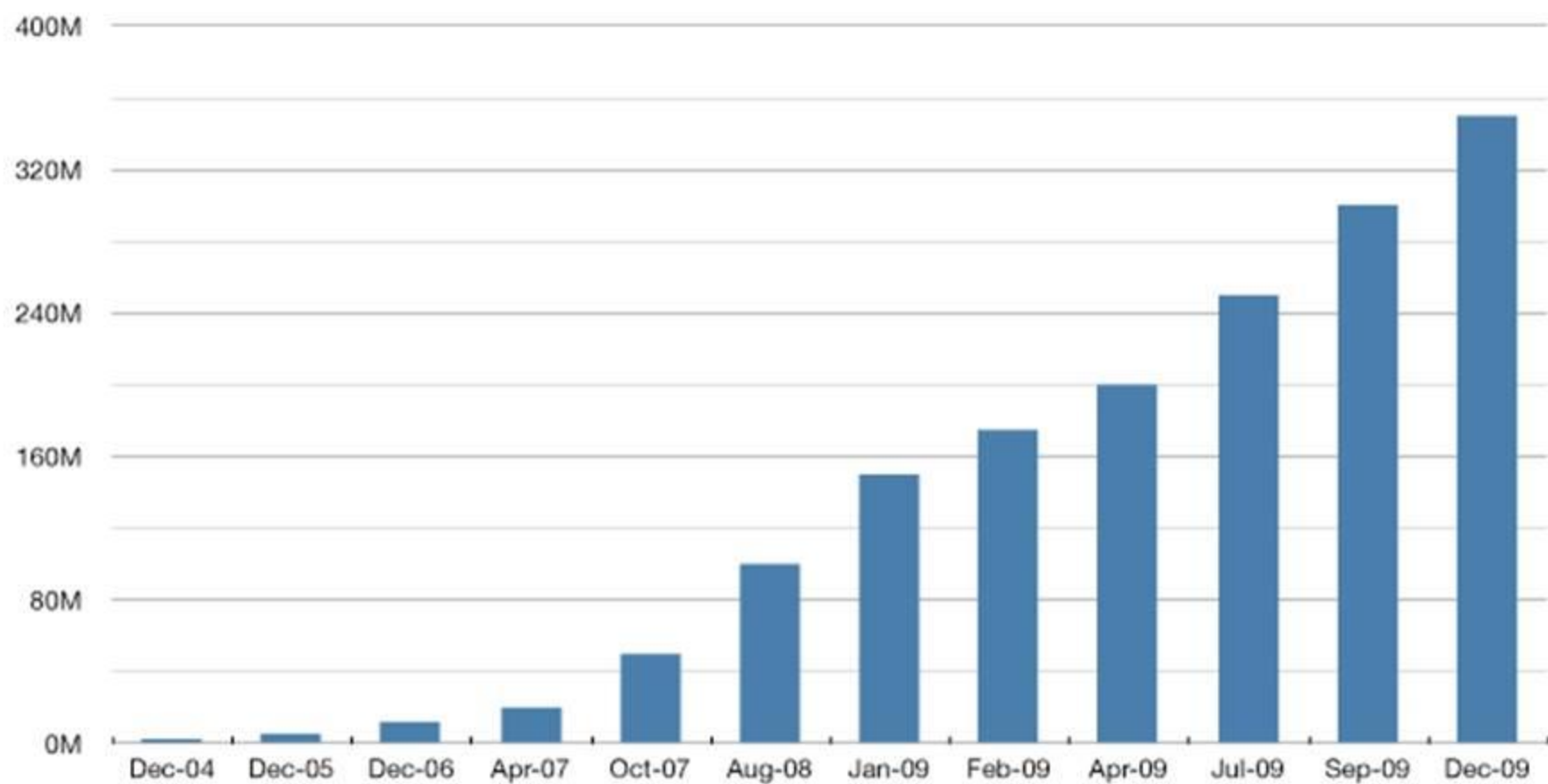
**Virtual Worlds
TAM \$933 Million**

Source: NeXt Up Research Report
August 2010

Gartner – 80% of users to use avatars by 2010?

So... has it happened?

Facebook growth



Why a new world? Make it mainstream

Clients



- Download and install

In-Browser ala Meebo



- Play anywhere, anytime
- Can distribute & embed
- Proven business model

Background – what is Frenzo

1/ Avatars & Profiles

2/ Chat

1 on 1

Group chat

Multi-tasking

3/ Creation and UGC

4/ Marketplace & Monetization



Technology Components

User
Generated
Content

Animations



Clothing



Avatar



Scenes



3D Avatar & Scene
Cloth Layer Tech

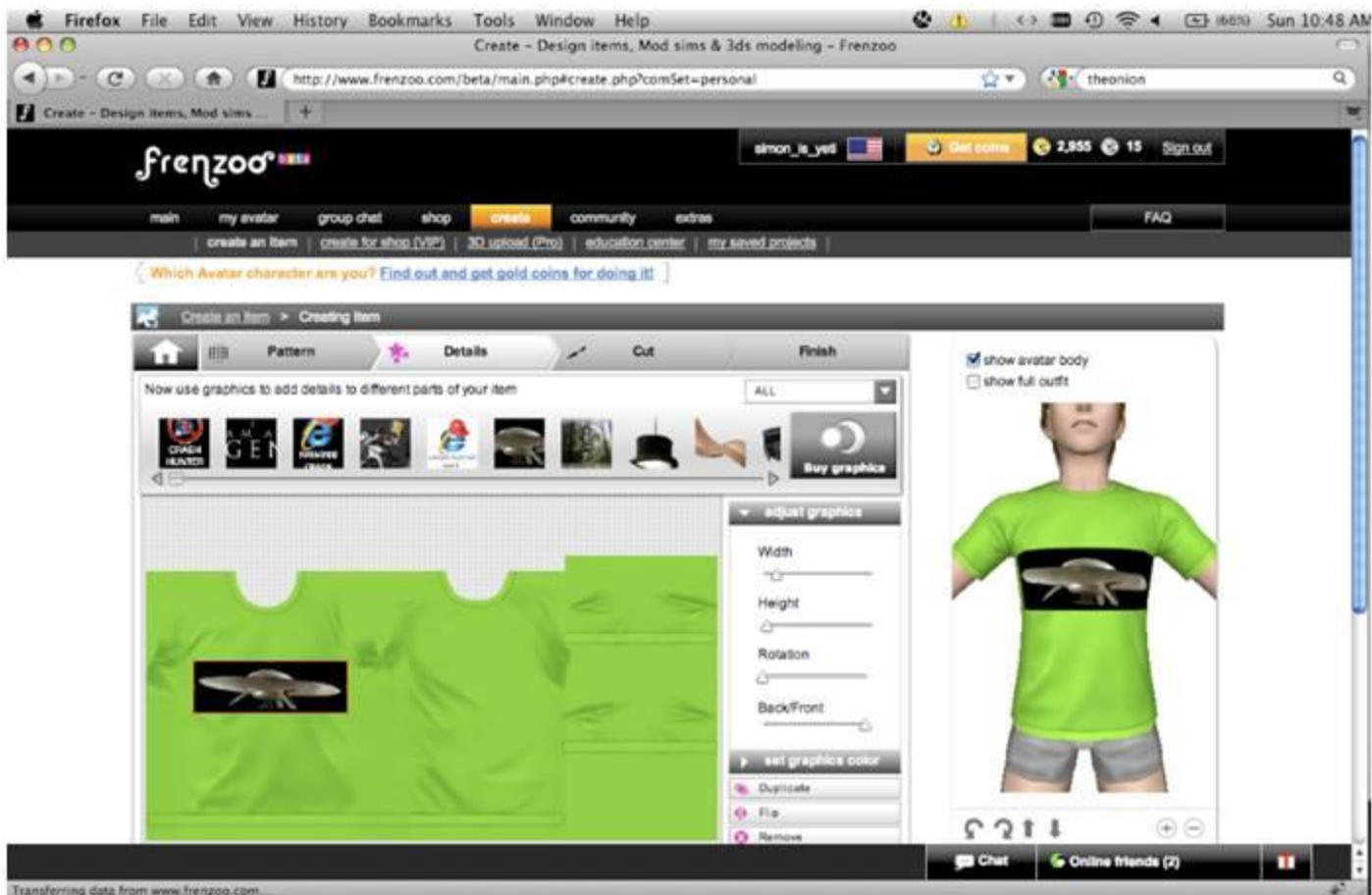
Web service,
3d chat, create tool

UGC, Economy
& Marketplace



The Leading Web &
iPhone / iPad 3d engine

User Generated Marketplace



In built web tool for beginners

Direct upload of textures & 3d for advanced creators

What are the motivations?



- **Socialization**
friends, flirting, sex, relationships
- **Self Expression**
be who you want to be
- **Exploration & Fun**
joy of discovery, fun
- **Achievement**
competition, mastery

Why do people buy virtual goods?

Functional attributes

- * Performance (e.g. speed, hitpoints)
- * Functionality (e.g. teleporting)

Hedonic attributes

- * Visual appearance and sounds (aesthetic pleasure)
- * Background fiction (what role does the item have in the story?)
- * Provenance (e.g. did a famous user own this item in the past?)
- * Customisability (the ability to personalise the item)

Social attributes

- * Cultural references (references to outside culture, e.g. Xmas)
- * Branding (virtual goods branded by real-world companies)
- * Rarity

Lessons Learned

Understanding users. REALLY understanding users

- Peeling the onion
- Learning to learn

Technical challenges – life on bleeding edge

- The many factors in user experience

User acquisition is a numbers game

Community building is a people game